Does your facility struggle with denied Medicaid applications resulting in uncollectible debt?

Studies show, that a vast portion of Nursing Facility uncollectible debt nationwide is a result of inefficient Medicaid planning for residents who are in need of Medicaid for long term care - and subsequent denied Medicaid applications as a result. The **solution** to this problem is for Providers to have a healthy Medicaid planning structure in place to proactively mitigate risks and identify eligibility issues. This will ensure that providers have ample time to plan and strategize in advance, thus limiting surprises that arise after the application is submitted.

Weak Medicaid planning often results in bad debt on two key payer sources: NAMI and Medicaid Pending/Private Pay.

When it comes to NAMI: If a residents estimated NAMI is not known either prior to the submission of a Medicaid application or shortly thereafter, then the facility will likely fall victim to uncollected NAMI A/R for a portion of the stay. When NAMI figures only become known at the time of Medicaids' issuance of a notice of decision, it is often too late to go back and collect the retroactive months that are accrued during the time of a residents Pending status. To ensure that a facility has limited NAMI bad debt, it's imperative that estimated income figures are calculated once the resident is deemed to be in need of long term care. This will ensure that a facility has ample time to converse with the resident/responsible party with regards to how much the NAMI is projected to be, and expectations as to when the NAMI should be paid each month. In addition, and equally as important, establishing an estimated NAMI early on will give the facility enough time to set up for monthly direct deposit payments or representative payee payments with the goal of these payments being received by the facility at the start of a residents "pending" status. When it comes to Medicaid Pending/Private Pay: if a residents eligibility status is not known and verified by a facility finance team prior to application submission, it often results in unknown excess resources and or penalty periods which are often not collectible. Financial eligibility verification by a facility finance team should include a thorough review of the residents' financial file in advance of an application being submitted to the local county – including a thorough review of the five year look back to flag any potential questionable transactions and to establish asset eligibility.

A healthy Medicaid planning process starts at the time of admission and initial weekly Utilization Review meetings. Upon admission, when a residents' plan of care is established, it is crucial for a facilities finance/Medicaid application team to be part of those initial meetings, so that payer planning is done ahead of time. If your facility doesn't have sufficient staff to properly plan for Medicaid Pending stays, the use of a Medicaid application consultant or agency can be very beneficial. Across the facilities that we service, we have seen Medicaid Pending and NAMI receivables being reduced by as much as 90% with the implementation of healthy Medicaid planning practices.